

Message Text

UNCLASSIFIED

PAGE 01 LISBON 04475 071227Z

53

ACTION EUR-12

INFO OCT-01 ISO-00 SAM-01 CIAE-00 DODE-00 PM-03 H-02

INR-07 L-03 NSAE-00 NSC-05 PA-02 PRS-01 SP-02 SS-15

USIA-15 COME-00 EB-07 LAB-04 SIL-01 TRSE-00 EURE-00

/081 W

----- 114786

P 071200Z AUG 75

FM AMEMBASSY LISBON

TO SECSTATE WASHDC PRIORITY 3682

UNCLAS LISBON 4475

EO 11652: N/A

TAGS: BGEN, ELAB, PO

SUBJ: APPARENT ABANDONMENT BY U.S. FIRM - LATRIQUE

1. EMBASSY HAS BEEN INFORMED BY WORKERS AND LAWYER OF CONFECCOES LATRIQUE (PORTUGAL), LDA., THAT PETER R. VALE, MANAGER OF LOCAL COMPANY AND SON OF OWNER OF U.S. PARENT, HAS APPARENTLY ABANDONED FIRM WITHOUT PAYMENT OF DEBTS, SALARIES, OR SEVERANCE PAY.

2. LATRIQUE IS OWNED BY LATRIQUE BRASSIERES COMPANY, INC., 171 MADISON AVENUE, NEW YORK, PHONE: MU5-1653. IT HAS 253 EMPLOYEES. IT COMPLETES FINAL ASSEMBLY OF BRASSIERES UNDER CONTRACT WITH U.S. PARENT HAS WITH MONTGOMERY WARD. PETER VALE REPORTEDLY LEFT PORTUGAL MARCH 9 AND HAS NOT RETURNED. ACTING MANAGER, A CANADIAN CITIZEN, LEFT JULY 17 AFTER HIS WORK CONTRACT REPORTEDLY ENDED.

3. LOCAL FIRM SENT SHIPMENT WORTH ABOUT \$150,000 TO PARENT IN JULY. FIRM ALREADY OWES JULY SALARIES AND AUGUST SALARY PLUS ONE MONTH VACATION BONUS DUE SEPTEMBER 1. TOTAL ESTIMATED AT \$120,000. LOCAL LAWYER, ALTHOUGH NOT CONSULTED ABOUT MANAGEMENT INTENTIONS, BELIEVES VALE DOES NOT INTEND TO PAY FOR SHIPMENT, SALARIES, OR SEVERANCE PAY. LOCAL FIRM HAS SIZABLE INVENTORY
UNCLASSIFIED

UNCLASSIFIED

PAGE 02 LISBON 04475 071227Z

OF FINISHED BRASSIERES BUT NO ALTERNATIVE OUTLETS, AND NO

MATERIALS FOR FURTHER PRODUCTION WHEN AUGUST VACATION PERIOD ENDS. CONSIDERABLE DEBTS TO LOCAL BANKS AND SUPPLIERS ALSO OWED.

4. WORKERS CALLED NEW YORK OFFICE AUGUST 5 AND TRIED TO TALK TO EITHER PETER VALE OR LATRIQUE (U.S.) VICE-PRESIDENT DAVID LLOYD, BUT WERE ALLEGEDLY TOLD NO CALLS FROM THEM WOULD BE ACCEPTED. PUBLIC WORKER DEMONSTRATION IN FRONT OF PRESIDENTIAL PALACE ON AUGUST 5 BY GROUP OF WOMEN WORKERS WAS COVERED IN AUGUST 6 ISSUE OF "O SEculo." PLANNED AUGUST 6 DEMONSTRATION IN FRONT OF EMBASSY WAS APPARENTLY CALLED OFF AFTER WORKER REPS TALKED WITH EMBASSY OFFICIAL.

5. WORKER REPS WHO CALLED ON EMBOFF APPEARED REASONABLE. THEY SAID THAT THEY DID NOT OBJECT IN PRINCIPLE TO CLOSURE, BUT WANTED PROPER INDEMNIZATION. THEY EXPRESSED A CLEAR PREFERENCE FOR KEEPING PLANT IN OPERATION, AND REQUESTED ASSISTANCE IN CONTACTING ALTERNATE RAW MATERIAL SUPPLIERS AND PURCHASERS OF FINISHED BRASSIERES.

6. COMMENT:

A. EMBASSY WAS CONTACTED IN MAY BY MONTGOMERY WARD REPRESENTATIVE TO DISCUSS DROP IN PRODUCTIVITY AT LATRIQUE AND POSSIBILITY OF SEEKING OTHER SUPPLIER, A MOVE WHICH WOULD HAVE PUT LATRIQUE OUT OF BUSINESS.

B. THIS CASE APPEARS TO BE VERY SIMILAR TO THAT OF APPLIED MAGNETICS, WHICH IS STILL GENERATING OCCASIONAL, BAD PUBLICITY FOR U.S. BUSINESS. IN THIS CASE, THERE DOES NOT EVEN SEEM TO BE AS MUCH JUSTIFICATION FOR A PRECIPITATE PLANT CLOSURE - I.E. NO OVERT WORKER MILITANCY, PLANT OCCUPATION, THREATS, ETC. THEREFORE PUBLIC OPINION AND GOVERNMENT LIKELY TO TAKE HARD VIEW.

7. ACTION REQUESTED: REQUEST DEPARTMENT CONTACT LATRIQUE IN NEW YORK TO ASCERTAIN ACTUAL SITUATION, EMPHASIZING SERIOUSNESS OF PICTURE HERE. DEPT MIGHT WISH TO POINT OUT THAT THIS KIND OF ACTION MAKES IT MORE DIFFICULT FOR US TO INTERVENE ON BEHALF OF AMERICAN FIRMS SUCH AS TORRINGTON WHO HAVE SEVERE AND LEGITIMATE GRIEVANCES.
CARLUCCI

UNCLASSIFIED

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: BUSINESS FIRMS
Control Number: n/a
Copy: SINGLE
Draft Date: 07 AUG 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975LISBON04475
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D750272-1094
From: LISBON
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1975/newtext/t19750874/aaaacnfw.tel
Line Count: 98
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EUR
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: hartledg
Review Comment: n/a
Review Content Flags:
Review Date: 13 FEB 2003
Review Event:
Review Exemptions: n/a
Review History: RELEASED <13 FEB 2003 by ReddocGW>; APPROVED <06 FEB 2004 by hartledg>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
06 JUL 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: APPARENT ABANDONMENT BY U.S. FIRM - LATRIQUE
TAGS: BGEN, ELAB, PO, LATRIQUE, (VALE, PETER R)
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 06 JUL 2006